

PRIVATE ATTORNEYS GENERAL ACT
SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement (“Settlement Agreement” or “Settlement”) is made and entered into between Plaintiff Jesus Sepulveda (“Plaintiff”), acting in a private attorney general capacity, and Defendant Royal Oak Ag Services, Inc. (“Defendant” or “Royal Oak”) (collectively, the “Parties”).

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. “Action” means the matter titled *Jesus Sepulveda v. Royal Oak Ag Services, Inc.*, Santa Barbara Superior Court, Case No. 22CV02799, and as set forth in Plaintiff’s correspondence to the California Labor and Workforce Development Agency (“LWDA Letter”) dated May 5, 2022.
2. “Aggrieved Employees” consist of all current and former non-exempt employees who worked for Royal Oak in California at any time during the PAGA Period.
3. “Royal Oak” or “Defendant” means Royal Oak Ag Services, Inc.
4. “Settlement Administrator” means Phoenix Settlement Administration.
5. “Complaint” means the operative complaint in the Action.
6. “Court” means the Superior Court of California for the County of Santa Barbara.
7. “Individual PAGA Payment” means the amount to be paid to each Aggrieved Employee based on the formula described herein.
8. “LWDA” means the California Labor and Workforce Development Agency.
9. “Gross Settlement Amount” is the non-reversionary sum of Six Hundred Seventy Five Thousand Dollars and Zero Cents (\$675,000.00), which represents the total amount payable under this Settlement Agreement by Royal Oak, including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff’s attorneys’ fees and costs, payment of Plaintiff’s enhancement payment, and payment to the Settlement Administrator for administration costs. The Gross Settlement Amount shall not increase except as provided in the escalator provision in paragraph III(2)(a) below.
10. “Net Settlement Amount” is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiff’s attorneys’ fees up to thirty-five percent of the Gross Settlement Amount; (b) Plaintiff’s litigation costs up to \$20,000.00; (c) Plaintiff’s enhancement payment up to \$10,000.00; and (d) settlement administration costs up to \$13,750.00.

11. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

12. “PAGA Period” means the time period from May 5, 2021 through the date of the Court Order granting approval of the PAGA Settlement.

13. “PAGA Released Claims” mean all claims, rights, demands, liabilities and causes of action that arose during the PAGA Period for civil penalties under the PAGA, that were alleged in the Action or that could have been alleged in the Action. The PAGA Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code §§ 201, 202, 203, 221, 225.5, 226, 226.3, 226.7, 510, 512, 558, 1194, and 1194.2 as well as all applicable Industrial Welfare Commission Wage Orders; and claims for attorneys’ fees, costs, or interest resulting therefrom. The release of the PAGA Released Claims shall extend for the duration of the PAGA Period.

14. “Parties” means, collectively, Plaintiff and Royal Oak.

15. “Plaintiff’s Counsel” means Daniel F. Gaines, Alex P. Katofsky, and Evan S. Gaines of Gaines & Gaines, APLC.

16. “Released Parties” means Royal Oak and its related entities, joint venturers, parents, and subsidiaries, and each of their respective former and present officers, directors, owners, partners, shareholders, principals, employees, contractors, insurance carriers, payroll companies, attorneys, agents, representatives, successors and assigns.

II. RECITALS

1. Plaintiff performed work for Royal Oak as a non-exempt employee in California during the PAGA Period.

2. On May 5, 2022, Plaintiff provided written notice to the LWDA and Royal Oak asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of various Labor Code sections and his intent to file a civil lawsuit under the PAGA.

3. On July 20, 2022, Plaintiff filed a complaint titled *Jesus Sepulveda v. Royal Oak Ag Services, Inc.*, Santa Barbara Superior Court, Case No. 22CV02799, asserting a claim for PAGA civil penalties against Royal Oak based on violations of the Labor Code.

4. In response to Plaintiff’s Counsel’s informal discovery requests, Royal Oak provided Plaintiff’s Counsel with information and documents pertaining to Plaintiff and other Aggrieved Employees in order for Plaintiff’s Counsel to investigate Plaintiff’s allegations and value the claims prior to mediation.

5. On August 14, 2023, the Parties participated in mediation before mediator Henry Bongiovi, Esq. On August 20, 2023, the Parties participated in a second mediation before mediator Henry Bongiovi, Esq. With the assistance of Mr. Bongiovi, the Parties agreed to fully and finally resolve the PAGA Released Claims as to Plaintiff and Aggrieved Employees.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission**. Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that his claims do not have merit, or an admission by Royal Oak of any liability or wrongdoing as to Plaintiff, the Aggrieved Employees or any other person. Royal Oak specifically disclaims and denies any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount**. Royal Oak shall pay Six Hundred Seventy-Five Thousand Dollars and Zero Cents (\$675,000.00) as the non-reversionary Gross Settlement Amount. Royal Oak will not pay more than the Gross Settlement Amount unless the escalator provision in paragraph III(2)(a) below is triggered. Royal Oak shall deposit the Gross Settlement Amount into a Qualified Settlement Account and agrees to fund the settlement within thirty (30) calendar days of the Court's Judgment and Order approving the PAGA settlement. The Gross Settlement Amount shall be used to pay: (1) Amounts distributable to the LWDA and Aggrieved Employees; (2) Plaintiff's attorneys fees and litigation costs; (3) Plaintiff's enhancement payment; and (4) Settlement administration costs.

a. Defendant has made the representation, on which Plaintiff has relied in negotiating this Settlement Agreement, that there are approximately 117,000 weekly pay periods at issue for approximately 2,900 Aggrieved Employees during the PAGA Period. If the actual number of total pay periods through the date of Court approval is more than 15% greater than this estimate (i.e., if there are more than 134,550 pay periods from May 5, 2021 through the date of Court approval), Royal Oak shall have the option to (i) end the PAGA Period as of the first date that the pay period count exceeds 134,551, or (ii) increase the Gross PAGA Settlement Amount in proportion to the increase in pay periods in excess of 15% (e.g., if the number of pay periods is 17% greater than 134,550, Defendant shall have the option to increase the Gross PAGA Settlement Amount by 2%). Defendant shall have no obligation whatsoever to increase the Gross PAGA Settlement Amount.

3. **Net Settlement Amount**. The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. **Plaintiff's Attorneys' Fees and Costs**. Royal Oak will not oppose Plaintiff's request for attorneys' fees in the amount up to 35% of the Gross Settlement Amount (currently estimated to be \$236,250.00) and costs up to \$20,000.00 incurred in prosecuting the Action. In the event the Court approves less than these amounts, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for attorneys' fees and costs). Royal Oak, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

b. **Plaintiff's Enhancement Payment**. Royal Oak will not oppose Plaintiff's request for an enhancement payment of up to \$10,000.00 for serving as the representative Plaintiff

in the Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for Plaintiff's enhancement payment). Royal Oak, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiff.

c. Administration Costs. Royal Oak will not oppose the Settlement Administrator's costs in the amount up to \$13,750.00 for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Royal Oak, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

4. Allocation of Net Settlement Amount. One hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code § 2699(i). The 25% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved Employees pro rata, based on the number of pay periods employed by each Aggrieved Employee during the PAGA Period.

a. The parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the parties agree to re-negotiate in good faith in an effort to obtain approval of the Settlement.

5. PAGA Released Claims. Plaintiff agrees that upon entry of an Order approving the Settlement and judgment entered thereon, and upon the Settlement being fully funded, Plaintiff and all Aggrieved Employees release the PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the settlement and judgment entered thereon and the Settlement being fully funded, Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties.

6. General Release by Plaintiff.

a. In addition to the release made in paragraph 5 above, Plaintiff makes the additional following general release of all claims, known or unknown. Plaintiff agrees that upon entry of an Order approving the Settlement and judgment entered thereon, and upon the Settlement being fully funded, Plaintiff releases the Released Parties, from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of Defendant, through and including the date of execution of the Judgement and Order. (The release set forth in this paragraph shall be referred to hereinafter as the "General Release.") With respect to the General Release, Plaintiff stipulates and agrees that, upon Court approval and full funding of the Gross Settlement Amount by Defendant, Plaintiff shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

b. If the facts relating in any manner to this Settlement are found hereafter to be other than or different from the facts now believed to be true, the release of claims contained herein shall be effective as to all unknown claims. Notwithstanding the foregoing provisions, the General Release by Plaintiff does not constitute a waiver of any claims that cannot by law be waived, including, inter alia, claims for workers' compensation, disability insurance, or unemployment insurance. Plaintiff agrees that he will not file any new claims or initiate any further action against the Released Parties for the claims released herein, except in the event action is necessary to enforce the terms of the Settlement Agreement.

7. **Covenants and Representations by Plaintiff and Plaintiff's Counsel.**

a. Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

b. Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands his rights, privileges and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

8. **Confidentiality.** Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court.

To permit judicial review and approval of the Settlement, as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the parties' seeking Court approval of the Settlement, per Labor Code § 2699(1)(2).

9. **Motion or Joint Stipulation for Approval of PAGA Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for promptly preparing and filing the Joint Stipulation or Motion for Approval of the PAGA Settlement. Plaintiff and Defendant will jointly prepare the proposed Approval Order and Judgment to be entered by the Court to enforce this Agreement and dismissing this case with prejudice. The proposed Approval Order and Judgment will be submitted concurrently with the documents asking the court to approve the settlement. The Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

10. **Termination of Settlement Agreement.** If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or

if appellate review is sought and, on such review, the Court's judgment is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

11. **Judgment.** As part of the Joint Stipulation or Motion to approve the Settlement, Plaintiff shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 and as otherwise allowed by law for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the judgment being entered and the Settlement being fully funded. The Parties shall confer and agree on the Stipulation or Motion and the proposed judgment before submission to the Court. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein.

12. **Preclusive Effect of Settlement Agreement and Approval.** The terms of this Settlement Agreement and the Order and judgment are binding on Plaintiff, the State of California, and all Aggrieved Employees, as well as their heirs, executors and administrators, successors and assigns, and those terms shall have res judicata, collateral estoppel and other preclusive effect in all pending and future claims, lawsuits or other proceedings maintained by or on behalf of any such persons, to the extent those claims, lawsuits or other proceedings constitute PAGA Released Claims as set forth in this Settlement Agreement. Notwithstanding any other provision in this Settlement Agreement, this Settlement Agreement and the Order and judgment in the Action may be filed in any action against or by Defendant or the Released Parties to support a defense of res judicata, collateral estoppel, release, waiver, good-faith settlement, judgment bar or reduction, full faith and credit, or any other theory of claim preclusion, issue preclusion or similar defense or counterclaim.

IV. **ADMINISTRATION OF SETTLEMENT**

1. **Settlement Administrator.** The Parties agree to engage Phoenix Settlement Administration to handle the administration of this settlement.

2. **Provision of Information for Aggrieved Employees.** Within twenty (20) business days after entry of an order approving the settlement, Royal Oak shall provide the Settlement Administrator with information for Aggrieved Employees. Royal Oak will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, number of pay periods employed during the PAGA Period, and Social Security numbers or Tax ID numbers to the extent available from Royal Oak's records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Within seven (7) calendar days of receiving the Aggrieved Employees' information from Royal Oak, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments due to each

Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiff's Counsel and Defendant's counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth above. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other reputable search method using the name, address or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining uncashed more than 180 days after issuance (collectively, "Uncashed Checks"), shall be tendered to the State Controller's Office, Unclaimed Property Division, to be held in the name of the Aggrieved Employee.

In the event that an Aggrieved Employee's check is undeliverable, uncashed, or otherwise distributed to the State Controller's Office, Unclaimed Property Division, the terms of the final judgment and the Release of Claims will nevertheless be binding upon that Aggrieved Employee.

5. **Distribution of Payments.** Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to (1) Aggrieved Employees; (2) the LWDA; (3) Plaintiff's Counsel for Plaintiff's Counsel's Court-approved attorneys' fees and litigation costs and expenses; (4) Plaintiff for the Court-approved enhancement payment; and (5) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement. Payments made by Royal Oak pursuant to this

Settlement shall be held by the Settlement Administrator in an interest-bearing account until they are disbursed, with any accrued interest inuring to the benefit of the Aggrieved Employees in the form of pro rata increases to Aggrieved Employees' Individual PAGA Payments.

6. **Accounting.** Within 45 days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

7. **Tax Consequences.** Neither Plaintiff nor Royal Oak, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement. Aggrieved Employees are responsible for correctly characterizing compensation under this Settlement Agreement for tax purposes and paying any taxes owing on said amounts. The Administrator shall issue employees IRS 1099 Forms reflecting payment issued to them under this Agreement. Plaintiff understands and agrees that if any action is asserted against Defendant, Defendant's agents, Plaintiff, Plaintiff's agents, or by any taxing authority or government agency with respect to the payments to Plaintiff under this Agreement, he shall be liable for any taxes owed, and further agrees that he will hold Defendant and Defendant's agents free and harmless and indemnify them from and against any demands or lawsuits for payment of income taxes and payroll taxes, interest, or penalties relating to the monies paid to Plaintiff or for his benefit pursuant to this Agreement.

V. MISCELLANEOUS PROVISIONS

1. **Drafting.** The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

2. **Successors.** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees.** The Parties shall each bear their own costs and attorneys' fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in Santa Barbara, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Santa Barbara.

5. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them with respect to the subject matter of this Settlement Agreement, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim in the Action.

6. **Nullification of Settlement Agreement.** In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions before the Settlement was executed.

7. **Judgment and Continued Jurisdiction.** As noted above, after approval of this settlement, the Court will have continuing jurisdiction under Cal. Code Civ. Proc. § 664.6 and as otherwise allowed by law for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

8. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest, or by counsel for all Parties.

9. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the mediator (Henry Bongiovi) or the Court to resolve such disagreement.

10. **Execution and Counterparts.** This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

11. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement.

12. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

13. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the

invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

14. **Time is of the Essence; Waiver.** Time is of the essence with respect to all provisions of this Settlement Agreement. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

15. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

16. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

17. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

18. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

19. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

[Signatures on Following Page]

Dated: 10/09, 2023

Jesús SA

Jesus Sepulveda, Plaintiff

ROYAL OAK AG SERVICES, INC.

Dated: _____, 2023

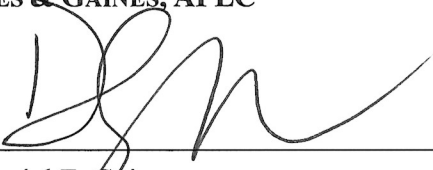
By: _____

Its: _____

APPROVED AS TO FORM:

Dated: 10/9, 2023

GAINES & GAINES, APLC

By:  _____

Daniel F. Gaines

Alex P. Katofsky

Evan S. Gaines

Attorneys for Plaintiff Jesus Sepulveda

Dated: _____, 2023

MULLEN & HENZELL, LLP

By: _____

Rafael Gonzalez

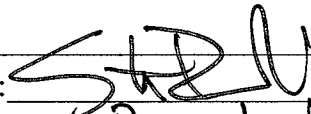
Attorneys for Defendant Royal Oak Ag
Services, Inc.

Dated: _____, 2023

Jesus Sepulveda, Plaintiff

ROYAL OAK AG SERVICES, INC.

Dated: 10/06, 2023

By: 
Its: President

APPROVED AS TO FORM:

Dated: _____, 2023

GAINES & GAINES, APLC

By: _____
Daniel F. Gaines
Alex P. Katofsky
Evan S. Gaines
Attorneys for Plaintiff Jesus Sepulveda

Dated: October 9, 2023

MULLEN & HENZELL, LLP

By: 
Rafael Gonzalez
Attorneys for Defendant Royal Oak Ag
Services, Inc.

EXHIBIT A

Re: Payment from Jesus Sepulveda v. Royal Oak Ag Services, Inc.
Superior Court of California Santa Barbara County, Case No. 22CV02799

Date: ___/___/2023

Name
Address

Dear Name:

Enclosed, please find a check made payable to you. This is your payment from the settlement of a lawsuit titled *Jesus Sepulveda v. Royal Oak Ag Services, Inc.*, Case No. 22CV02799, pending in the Superior Court of the State of California for the County of Santa Barbara (the "Action").

The Action was filed against Royal Oak Ag Services, Inc. ("Royal Oak") and includes claims pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). The Action was brought by Plaintiff Jesus Sepulveda ("Plaintiff"), a former employee of Royal Oak, on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

In the lawsuit, Plaintiff claimed that Royal Oak violated the California Labor Code by failing to pay minimum wages, failing to pay overtime wages, failing to provide compliant meal and rest breaks or pay premium wages, making improper deductions from wages, failing to provide accurate wage statements, and failing to timely pay all wages upon separation. Royal Oak disputes all of Plaintiff's allegations and denies that it engaged in any of the alleged misconduct. The parties have reached a settlement of Plaintiff's representative PAGA claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Royal Oak who were allegedly affected by the alleged violations of the Labor Code. In agreeing to enter into this settlement, Royal Oak does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code, or any penalties, and has denied and disputed all of Plaintiff's contentions. The Court has not decided the merits of Plaintiff's claims or Royal Oak's defenses.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. Please note that no deductions/withholdings have been made from your settlement payment, and you will be responsible for any tax consequences arising from your receipt of the same (for which an IRS Form 1099 will issue). If you do not cash your check within 180 days of issuance, the funds will be tendered to the State Controller's Office, Unclaimed Property Division, to be held on your behalf. If you are still employed by Royal Oak, your decision to cash the check will not affect your employment in any way.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims under the PAGA that were alleged in, or could have been alleged in Plaintiff's complaint in the Action, including claims for civil penalties, attorneys' fees, costs, or interest under the PAGA based on Royal Oak's alleged failure to pay minimum wages, alleged failure to pay overtime wages, alleged failure to provide compliant meal and rest breaks or pay premium wages, alleged improper deductions from wages, alleged failure to provide accurate wage statements, and alleged failure to timely pay all wages upon separation, during the time period May 5, 2021 through <DATE OF ORDER APPROVING THE PAGA SETTLEMENT> (the "PAGA Period").

If you have any questions, you can contact _____, the Settlement Administrator, at 1-____-____.

4856-8077-3758, v. 3